

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SAM-01 OPIC-03 CIAE-00 COME-00 EB-07

INR-07 LAB-04 NSAE-00 SIL-01 EURE-00 SSO-00 NSCE-00

USIE-00 INRE-00 DODE-00 PM-04 H-02 L-03 NSC-05 PA-01

PRS-01 SP-02 SS-15 /069 W

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O R 241422Z FEB 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC IMMEDIATE 6104

INFO AMEMBASSY OSLO

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E.O. 11652: N/A

TAGS: EINV, PO

SUBJECT: TIMEX DISPUTE

REF: LISBON 1079

1. TIMEX MANAGER STATED THIS MORNING THAT HE HAS NOT RECEIVED ANY DIRECT RESPONSE FROM LABOR MINISTRY. MORNING PRESS, HOWEVER, REPORTED MINISTRY COMMUNIQUE THAT STATED TIMEX MUST ABIDE BY PORTUGUESE LABOR LAW. THUS, ACCORDING COMMUNIQUE, FIRM CANNOT LAY OFF PERSONNEL WITHOUT AGREEMENT OF OFFICIAL WORKERS' REPRESENTATIVES AND CANNOT REDUCE WORK SCHEDULE WITHOUT APPROVAL OF COUNCIL OF MINISTERS. COMMUNIQUE, WHICH POINTS OUT PENALTIES FOR VIOLATIONS, RECEIVED WIDE MEDIA COVERAGE.

2. MANAGER EXPRESSED PERSONAL DISAPPOINTMENT WITH LABOR MINISTRY ACTION. HE HAS ALLEGEDLY CONCLUDED THAT MINISTRY APPARENTLY NOT INTERESTED IN RESOLVING PROBLEM AT THIS TIME. TIMEX PLANNING TO ANNOUNCE ADDITIONAL LAY-OFF OF 500 WORKERS ON WEDNESDAY, FEBRUARY 25, THEREBY RAISING PROJECTED TOTAL TO 1200 WORKERS.

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3. MANAGER REPORTS THAT PRODUCTION AT VIRTUAL STANDSTILL, BUT SITUATION REMAINS PEACEFUL AT PLANT. GROUP OF WORKERS FROM ADMINISTRATIVE AND OTHER SUPPORT SECTIONS STILL ON PARTIAL STRIKE. THIS GROUP HAS PUBLISHED COMMUNIQUE CON-DEMNING OFFICIAL WORKER REPRESENTATIVES AND LABOR MINISTRY.

4. COMMAT BRIEFED NORWEGIAN AMBASSADOR ON SITUATION. LATTER STATED HE HAS NO OFFICIAL KNOWLEDGE THAT TIMEX IS NORWEGIAN FIRM. HE ASSERTED THAT RESPONSIBILITY FOR FIRM UNDER INTERNATIONAL LAW BELONGS TO U.K. (BECAUSE OF TIMEX PORTUGUESA'S TIES TO BERMUDA SUBSIDIARY OF TIMEX) OR TO U.S.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Draft Date: 24 FEB 1976
Decaption Date: 01 JAN 1960
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Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Errors: N/A
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Margaret P. Grafeld
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04 MAY 2006

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